

TAB "A"

G-2 CONTRIBUTION TO NIE 10, COMMUNIST CHINA

1. Following are G-2 contributions to NIE 10, numbered in accordance with the terms of reference for NIE 10 dated 18 December 1950.

I-C Prospects of Securing Formosa or Containing the Nationalist Government on Formosa.

1. Chinese Nationalist Military Capabilities with or without increased US aid:

a. To Defend Formosa.

In spite of public proclamations by high Chinese Communist leaders that Formosa must be occupied regardless of US intervention, the presence of the 7th Fleet in Formosan waters has proved a strong deterrent to the fulfillment of Communist ambitions regarding that Nationalist-held island. As long as the present mission of the 7th Fleet remains unchanged, it is considered doubtful that the Chinese Communists will attempt to launch an amphibious assault against Formosa unless substantial Soviet air and naval forces are made available.

The Chinese Nationalists' military resources are: an army of approximately 428,000, comprising 13 armies; a navy with personnel of approximately 42,000, operating 16 light combat vessels and 15 mine layers; and an air force of about 80,000 with some 430 operational aircraft. The fighting qualities of this military estab-

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lishment are estimated to be relatively better than those of the Nationalist forces which originally operated on the mainland of China. However, under sustained Communist attacks and without appreciable US aid, it is doubtful that they can successfully defend Formosa against the Chinese Communists on a long-term basis. ~~Given material and moral aid, the~~ probability of a successful defense of Formosa by the Chinese Nationalists will be greatly enhanced, and probably Formosa can be secured indefinitely if sufficient US air and naval strength is committed for this purpose.

b. To Maintain Organized or Guerrilla Forces on the Mainland of China.

The ability of the Nationalist Government to maintain large organized forces on the mainland of China is adversely influenced by the lack of logistical support necessary to deliver such forces from Formosa to the mainland, as well as the prospect of such organized Nationalist forces being outnumbered in case of early combat against Communist forces. The Nationalist forces do, however, possess certain capabilities for conducting guerrilla warfare on the mainland of China. Although there is no firm information available upon which to base an estimate of the number, organization, or activities of Chinese anti-Communist forces on the China mainland, it is estimated that there are probably some 700,000 anti-Communist forces of all types. Present anti-Communist activities can be grouped into three general categories:

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(1) spontaneous local uprisings against Communist administration and the confiscatory practices of local Communist officials; (2) bandit activity indigenous to the area and which is now dignified by the term "anti-Communist activity"; and (3) actual guerrilla groups made up of Nationalist remnants, Communist deserters, opportunists, and a few idealists. The main areas of dissidence are believed to be in south-west China, south China, and central China.

The number of anti-Communists in groups who are actually operating under the loose control of the Chinese Nationalists is estimated at 300,000 at the moment. With proper communications, central control, and logistical support, it is estimated that the number of guerrillas who would cooperate with the Nationalists against the Chinese Communist regime would substantially exceed the present total of 300,000. A considerable number of troops formerly under command of the Nationalist generals now on Formosa would probably emerge to join any organized resistance, for the sake of a livelihood if not for psychological reasons. Organized guerrilla units whose actions are coordinated by central control would be capable of disrupting lines of communication, defeating isolated garrisons, creating further unrest and thus probably force the Communists to commit as much as 1,000,000 field forces and/or military district troops to meet the threat presented by such organized guerrilla operations.

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c. To Conduct Amphibious Assault.

It is estimated that the Chinese Nationalist forces are unable to support an amphibious assault against the mainland of China without considerable US assistance. The present merchant tonnage, amphibious equipment, and naval vessels in the hands of the Chinese Nationalists probably would not furnish more than 25 percent of the logistical support necessary for an amphibious operation of this type; therefore, it is logical to assume that any Chinese Nationalist undertaking and amphibious assault would depend almost wholly on US assistance.

d. To Maintain a Viable Economy.

Formosa normally has a viable economy but under the burden of maintaining the Nationalist forces, it is no longer entirely self-supporting. The economy of the island is now being sustained by United States aid and the Nationalist Government's sale of its gold reserve. On the basis of the current rate of gold sales, however, it is likely that the Government will exhaust its gold reserves in 1951. Unless there is a major reduction in government expenditures which are predominantly military in character, economic stability on the island in 1951 will be contingent on continuing and increased United States economic assistance.

2. Extent of Defection or Subversion on Formosa.

Defection and subversion on Formosa would be factors affecting the civil populace more than the military forces. However,

these factors could have a definite effect upon the status of the military forces in the event the Communists established a secret beachhead on the island. Relatively favorable economic and political conditions in Formosa at the present time have lessened the prospect of ^{civilian} defection and subversion. In addition, stringent security controls have made what is estimated to be considerable headway in suppressing Communist fifth column activities.

→ *What about subversion of armed forces?*
3. Communist Capabilities for Amphibious Assault.

There are at present approximately 300,000 Communist field force troops disposed along the China coast from Shanghai to Canton. Shipping lift available to the Chinese Communists is estimated to be sufficient to transport approximately 200,000 troops to the shores of Formosa. This shipping is made up of an assortment of landing craft (US or converted types), steamers, motor launches, motorized junks and sailing junks totaling some 13,500 vessels. Favorable weather will be an important factor in the employment of this heterogeneous fleet, if any control is to be exercised, as available shipping is at present located at seven main points along the coast from Shanghai to Canton. The first favorable period from the standpoint of weather for an amphibious operation of this type would not commence until the first week in April. For the protection of their invasion force, the Communists have 30 combat vessels including 1 destroyer and 4 destroyer escorts. The possibility of the use of Soviet submarines, operating under the Chinese Communist

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flag, cannot be discounted. At present the Chinese Communists are estimated to have an air force consisting of 370 aircraft in operational units consisting of 140 fighters, 140 attack, 55 light bomber and 35 twin-engine transport aircraft which could be used prior to or in conjunction with an attempted invasion. Air Fields in the Foochow, Amoy and Swatow areas have been reportedly put into operational status and stocked with POL supplies.

It is estimated that a Communist force invading Formosa would make the major effort against the Hsinchu and Tamsui area, probably in coordination with a landing in the Tainan-Kaohsiung area.

III. Chinese Communist Capabilities.

A. The Soviet Program of Support.

1. The scale and nature of Soviet support to the Chinese Communist Army are similar to the pattern previously established in the armies of the Satellite states. The program appears to be intended ultimately to establish a relatively strong Soviet-equipped and politically controlled army in a China bound to the Soviet Union by treaty and economic dependence.

2. While more or less covert Soviet activity in the Chinese Communist armies has been apparent for a number of years, open support on a large scale has probably dated from the conclusion of the Sino-Soviet Treaty of Friendship, Alliance and Mutual Aid publicly

announced on 14 February 1950. In addition to the formal treaty which called for mutual military and other assistance in case either state is attacked by Japan or any power allied with Japan, the 14 February announcement also listed a number of agreements between the two Governments. Included among them were certain economic, trade and loan agreements. It was provided that China was to receive credit toward the purchase of certain industrial equipment. One agreement concerned the disposition of the Changchun Railroad, Port Arthur and Dairen and stipulated that the railroad was to be turned over to the Chinese Communists without indemnity. It also called for the withdrawal of Soviet troops from the Port Arthur Naval base immediately after the conclusion of a peace treaty with Japan or not later than the end of 1952. Concurrently, the defensive installations are to be turned over to the Chinese who will repay the USSR for them. The agreement established a joint rotating Sino-Soviet Military commission to conduct military affairs in the Port Arthur military zone, the boundaries of which are to remain unchanged. In case of aggression by Japan or any state allied with Japan, both China and the USSR may, upon the proposal of the Chinese regime and with the agreement of the USSR, utilize the Naval Base in joint military activities against the aggressor.

There have also been numerous reports of secret protocols between the two contracting governments, some of which have

been reported to have outlined in detail the extent of Soviet military aid to the Chinese Communists. The nature and extent of these agreements remain largely conjecture. It seems clear, however, that expanded military aid has been provided to the Chinese Communists during the past year, although only relatively small quantities of Soviet weapons, limited to small arms, have been detected among Chinese Communists in Korea.

3. Specifically, there is adequate evidence that the number of so-called "advisors" to the Chinese Communist military forces has been expanded in recent months from a previously estimated 3,000-5,000 to some 10,000, with concentrations most recently reported in the Shantung Peninsula. Most recent reports indicate that these advisors include artillery personnel to be used in the training of the Chinese Communists in the use of Soviet artillery equipment. Others are apparently intended to operate or train Chinese in the operation of electronics equipment, including radar equipment for antiaircraft defense. Such installations have been confirmed in Hainan and Shanghai, and reported in other areas. It has also been established that Soviet personnel are stationed in the Chinese tank training school at Chiamussu. There has been adequate evidence that Soviet personnel have trained Chinese pilots in the use of Soviet conventional and jet aircraft in Shanghai, and possibly also in the Manchuria-Korea border areas.

The Soviet military advisory group also undoubtedly includes a considerable number of political advisors, always found in Soviet training missions both in and outside the USSR.

4. The extent to which the Soviets have already made materiel and equipment available to the Chinese is not entirely clear. It has been reported that the Sino-Soviet agreements call for the re-equipment of up to 100 Chinese divisions with modern Soviet materiel, including tanks, artillery, and motor vehicles. In November it was believed that up to 3 Chinese armies had been so re-equipped. Later reports indicate that as many as 150,000 troops--the equivalent of 5 Chinese armies--have now been so reorganized. There have been numerous indications that Soviet equipment other than aircraft, (the arrival of which has been confirmed), including large numbers of artillery pieces, and tanks have arrived in China. It is known that considerable equipment of this type has moved eastward on the Trans-Siberian railroad. Coupled with the fact that a very large stockpile of such equipment has long been maintained in the Soviet Far East, it is probable that part, at least, of the Soviet equipment in the Far East is actually destined for the Chinese.

Other logistic support, including all classes of supplies, has been made available to the Chinese Communists apparently only on an absolute requirements basis. For the most part, it appears

*W by hand only
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that such items as high octane aviation gas have been given, but that the Chinese have purchased or provided the bulk of their own support. In view of the continued availability of such material from the outside world, and in view of possible political ramifications if extensive Soviet aid became apparent, it is likely that direct combat logistic support will remain limited until more extensive involvement of Chinese and/or Soviet forces becomes necessary.

5. It appears therefore that the Soviets desire the maintenance of a large modernized Chinese army despite the fact that the support of this force will seriously jeopardize Chinese Communist economic stability. The Soviets and the Chinese Communist leaders have already, and will undoubtedly continue to flood the Chinese people with alarmist propaganda to justify such a force. While it may be doubted that China, a vast and highly populated nation, can be considered as a true Satellite, it seems apparent that the Soviet Union intends to support the Chinese Communist Army as a significant military force to be employed in furthering Soviet ambitions for world domination.

B. 3. Vulnerability to Economic Warfare.

Communist China's economy is basically agricultural. However, the industrialized modern portion of Communist China is dependent for its continued existence upon domestic and foreign trade. Principal imports are cotton, chemicals, petroleum, semi-manufactured and manufactured goods. Exports are tung oil, hog bristles, tungston, tin, raw silk, hides and skins.

Imports and exports for 1950 are estimated at \$340,000,000 and \$320,000,000 respectively.

A blockade of Communist China which would stop imports, exports and coastal trade not only would reduce the output of the industrialized area of Communist China substantially but would critically affect the distribution of food among the Chinese. ?

In the event of a Western blockade of Communist China, the Soviets would attempt to supply Communist China's most urgent needs. Limitations of Soviet transport capabilities would prevent the Soviet Union from offsetting the losses caused by the Western blockade.

Although a Western blockade would markedly impair the industrial economy of the country, such a blockade would have less effect upon China's basically agricultural economy, except for coastal distribution of food.

If Western actions went beyond the usual scope of economic warfare and were accomplished by a major disruption of Chinese rail and water communications systems, wide-spread famine of gigantic proportions would probably occur within a period of six months to a year. Economic warfare plus selective Western bombing of Chinese urban and transportation facilities would probably reduce Communist China's military strength, within the same period, to manageable proportions.

4. Vulnerability to air bombardment and Naval Blockade.

The main munitions producing centers are Mukden, Liaoyang, and Chao Chia Kou in Manchuria, and Taiyuan, Nanking, and

Chungking in China proper. The Chief industrial concentrations in Manchuria are Mukden, Anshan, Dairen, Harbin, Fou-hsin, Fu-Shun and Pen-chi-hu, and the chief concentrations in China proper are Tientsin, Tsingtao, Chefoo, Shanghai, Changsha, Hankow and Canton. Bombing of these installations should destroy most of Communist China's industrial capability.

The industrial centers of Dairen, Anshan, and Antung reportedly obtain a large share of their power from hydroelectric plants in North Korea. Destruction of the hydroelectric plants in North Korea would have a drastic effect on industrial output in these Manchurian cities and also on Vladivostok which is estimated to receive a large proportion of its power from hydroelectric power plants in North Korea. The above cities in Communist China would be seriously crippled by the destruction of the above mentioned plants.

The inland waterways and the coastwise shipping system are the most important transportation facilities of Communist China.

Chinese railroad mileage is limited, and highways and truck traffic are relatively unimportant. Rail communications with the USSR converge at Mukden from which there are several alternate routes northward to the Trans-Siberian RR. The Trans-Siberian rail line may also be reached by two parallel highways, one northwest from Kalgan to the rail junction at Ulan Bator, and one roughly parallel and some hundred miles to the east which runs through Chahar province.

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River shipping handles most of the east-west traffic, and coastal shipping is of vital importance for north-south traffic since interior movements over great distances are along restricted, limited capacity routes.

The railways are vulnerable to air attack, and limited Chinese resources would make their early repair difficult. If an effective blockade were placed on coastal shipping and rail traffic were interrupted, China's war-making economic capability would be seriously reduced since other available means of communication would be insufficient to satisfy even the meager requirements of the country.

One of the most remunerative railroad targets would be the Tientsin-Mukden Railway which is particularly vulnerable to destruction at several points and which is the main land connection between China proper and industrial Manchuria.

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G-2 Annex

1. Korea

a. During the latter part of October, Chinese Communist forces operating under the guise of "volunteers" came in hostile contact with UN forces. POW interrogations revealed that these "volunteers" had come from regular divisions of the Chinese Communist army, and that some of these units had been alerted for movement to Korea as early as 10 October. Intelligence concerning the rear areas indicates that hasty defensive preparations had been made by the Chinese Communists in Manchuria, that some factories and important government ministries there had been transferred to more remote areas, and that Chinese Communist troops had been moving northwards in the direction of Manchuria since mid-summer 1950.

b. The Chinese Communists are at present estimated to be supporting operations in Korea with 286,000 troops in Korea and about 450,000 troops in Manchuria. The troops in Manchuria can deploy along the main routes of transportation free from attack as far as the Yalu River, from which line they can reach the combat zone south of Pyongyang in from five to ten days.

c. The Chinese Communist forces in Korea have broken up the UN offensive and have forced UN troops to withdraw to the general line of the 38th parallel. The Chinese Communists have the capability of eventually driving UN forces out of Korea unless the UN forces receive material reinforcement.

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d. The Chinese Communist air force has been appearing in increasing strength in Korea as well as in Communist China. The utilization of the entire air force by Communist China at a critical moment to support ground operations cannot be discounted. The air force which could be concentrated in support of their Korean operations within a period of 48 hours is at present estimated to total 370 aircraft in operational units, consisting of 140 fighters, 140 attack, 55 light bomber, and 35 twin-engine transport aircraft. The Chinese Communists possess sufficient trained personnel to expand the CCAF materially within a short time.

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G-2 Annex

2. Indo-China

a. The Chinese Communists have an estimated 185,000 troops in Yunnan and Kwangsi sufficiently close to the Tonkin border to be capable of launching an invasion of Indo-China without appreciable forewarning. Employment of 100,000 troops from this area in a campaign against French and native allied forces in Tonkin could force a French withdrawal from Tonkin or at least into a shallow beachhead around Haiphong, assuming no active United States air assistance was received, and there was no increase in the rate of delivery of military aid to the French.

b. The Chinese Communists have the additional capability of conducting campaigns of a more limited nature than indicated above. In one sense they are already conducting a campaign in Tonkin in the form of the military assistance already extended to the Viet Minh. This assistance to the Viet Minh forces, which is believed to include Chinese Communist advisors and technicians, has made possible the initial phase of an effective Viet Minh offensive in Tonkin, i.e., the reduction of French border posts. It is estimated that the continuation of Chinese Communist assistance would permit a resumption of the Viet Minh offensive against the French defense perimeter in Tonkin at any time.

c. In between the two courses of action indicated above (invasion in force and continuation of military aid), the Chinese Communists possess the

capability of upsetting by means of "volunteers", the precarious balance of power now existing between French and Viet Minh forces. By this course of action, particularly if undertaken in the next two months before increased MDAP materiel is received and becomes operational, the Chinese Communists probably can force the French into a shrinking beachhead around Haiphong and possibly cause the French to abandon Tonkin.

G-2 Annex

3. Japan

At the present time the Chinese Communists do not possess any military capabilities against Japan except for limited air attacks. Any major Chinese Communist attack against Japan would have to be supported by the USSR to such an extent that it could no longer be called solely a Chinese Communist attack.

G-2 Annex

4. Other Areas of Southeast Asia

a. The Chinese Communists are capable of deploying four armies of 23,000 troops each along the Yunnan-Burma border within three to four weeks. The Chinese Communist 11th Army, estimated at 23,000 men, is disposed in the area from Tali in Yunnan along the Burma Road to the Burma border. An additional 80,000 troops could be redeployed to the Burma border area from the general Yunnan-Kweichow-Kwangsi border area in six to eight weeks. With these troops, and in the absence of active foreign intervention, the Chinese Communists could complete a successful invasion of the strategic areas of Burma within six to eight weeks after crossing the border. Such an operation against Burma could be undertaken by the Chinese Communists with only minor disruptions to current consolidation operations, the supply and training programs for the Viet Minh, and operations against Tibet. While such an operation against Burma could be carried out simultaneously with intervention in, or invasion of, Indo-China, it is probable that, barring outbreak of global warfare, any major operation against Burma is likely to be postponed until after an Indo-China campaign had been completed.

b. The Chinese Communists possess the capability of invading northern and northeastern Thailand with a portion of the troops indicated above in connection with a campaign against the French in Annam. It appears unlikely, however, that the Chinese Communists possess the immediate military capability of conducting a military campaign against Thailand.

c. The Chinese Communists have the capability of extending small-scale assistance to the Communist insurgents in Malaya, to indigenous Communist groups in Indonesia, and to the Communist-led Huks in the Philippines. The Chinese Communists are not considered, however, to have any immediate military capabilities for conducting campaigns against these countries.

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3. Specifically, there is adequate evidence that the number of so-called "advisors" to the Chinese Communist military forces has been expanded in recent months from a previously estimated 3,000-5,000 to some 10,000, with concentrations most recently reported in the Shantung Peninsula. Most recent reports indicate that these advisors include artillery personnel to be used in the training of the Chinese Communists in the use of Soviet artillery equipment. Others are apparently intended to operate or train Chinese in the operation of electronics equipment, including radar equipment for antiaircraft defense. Such installations have been confirmed in Hainan and Shanghai, and reported in other areas. It has also been established that Soviet personnel are stationed in the Chinese tank training school at Chiamussu. There has been adequate evidence that Soviet personnel have trained Chinese pilots in the use of Soviet conventional and jet aircraft in Shanghai, and possibly also in the Manchuria-Korea border areas.

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B. 3. Vulnerability to Economic Warfare.

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4. Vulnerability to air bombardment and Naval Blockade.

The main munitions producing centers are Mukden, Liaoyang, and Chao Chia Kou in Manchuria, and Taiyuan, Nanking, and

Chungking in China proper. The Chief industrial concentrations in Manchuria are Mukden, Anshan, Dairen, Harbin, Fou-hsin, Fu-Shun and Pen-chi-hu, and the chief concentrations in China proper are Tientsin, Tsingtao, Chefoo, Shanghai, Changsha, Hankow and Canton. Bombing of these installations should destroy most of Communist China's industrial capability.

The industrial centers of Dairen, Anshan, and Antung reportedly obtain a large share of their power from hydroelectric plants in North Korea. Destruction of the hydroelectric plants in North Korea would have a drastic effect on industrial output in these Manchurian cities and also on Vladivostok which is estimated to receive a large proportion of its power from hydroelectric power plants in North Korea. The above cities in Communist China would be seriously crippled by the destruction of the above mentioned plants.

The inland waterways and the coastwise shipping system are the most important transportation facilities of Communist China.

Chinese railroad mileage is limited, and highways and truck traffic are relatively unimportant. Rail communications with the USSR converge at Mukden from which there are several alternate routes northward to the Trans-Siberian RR. The Trans-Siberian rail line may also be reached by two parallel highways, one northwest from Kalgan to the rail junction at Ulan Bator, and one roughly parallel and some hundred miles to the east which runs through Chahar province.

SECRET

River shipping handles most of the east-west traffic, and coastal shipping is of vital importance for north-south traffic since interior movements over great distances are along restricted, limited capacity routes.

The railways are vulnerable to air attack, and limited Chinese resources would make their early repair difficult. If an effective blockade were placed on coastal shipping and rail traffic were interrupted, China's war-making economic capability would be seriously reduced since other available means of communication would be insufficient to satisfy even the meager requirements of the country.

One of the most remunerative railroad targets would be the Tientsin-Mukden Railway which is particularly vulnerable to destruction at several points and which is the main land connection between China proper and industrial Manchuria.

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G-2 Annex

1. Korea

a. During the latter part of October, Chinese Communist forces operating under the guise of "volunteers" came in hostile contact with UN forces. POW interrogations revealed that these "volunteers" had come from regular divisions of the Chinese Communist army, and that some of these units had been alerted for movement to Korea as early as 10 October. Intelligence concerning the rear areas indicates that hasty defensive preparations had been made by the Chinese Communists in Manchuria, that some factories and important government ministries there had been transferred to more remote areas, and that Chinese Communist troops had been moving northwards in the direction of Manchuria since mid-summer 1950.

b. The Chinese Communists are at present estimated to be supporting operations in Korea with 286,000 troops in Korea and about 450,000 troops in Manchuria. The troops in Manchuria can deploy along the main routes of transportation free from attack as far as the Yalu River, from which line they can reach the combat zone south of Pyongyang in from five to ten days.

c. The Chinese Communist forces in Korea have broken up the UN offensive and have forced UN troops to withdraw to the general line of the 38th parallel. The Chinese Communists have the capability of eventually driving UN forces out of Korea unless the UN forces receive material reinforcement.

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d. The Chinese Communist air force has been appearing in increasing strength in Korea as well as in Communist China. The utilization of the entire air force by Communist China at a critical moment to support ground operations cannot be discounted. The air force which could be concentrated in support of their Korean operations within a period of 48 hours is at present estimated to total 370 aircraft in operational units, consisting of 140 fighters, 140 attack, 55 light bomber, and 35 twin-engine transport aircraft. The Chinese Communists possess sufficient trained personnel to expand the CCAF materially within a short time.

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G-2 Annex

2. Indo-China

a. The Chinese Communists have an estimated 185,000 troops in Yunnan and Kwangsi sufficiently close to the Tonkin border to be capable of launching an invasion of Indo-China without appreciable forewarning. Employment of 100,000 troops from this area in a campaign against French and native allied forces in Tonkin could force a French withdrawal from Tonkin or at least into a shallow beachhead around Haiphong, assuming no active United States air assistance was received, and there was no increase in the rate of delivery of military aid to the French.

b. The Chinese Communists have the additional capability of conducting campaigns of a more limited nature than indicated above. In one sense they are already conducting a campaign in Tonkin in the form of the military assistance already extended to the Viet Minh. This assistance to the Viet Minh forces, which is believed to include Chinese Communist advisors and technicians, has made possible the initial phase of an effective Viet Minh offensive in Tonkin, i.e., the reduction of French border posts. It is estimated that the continuation of Chinese Communist assistance would permit a resumption of the Viet Minh offensive against the French defense perimeter in Tonkin at any time.

c. In between the two courses of action indicated above (invasion in force and continuation of military aid), the Chinese Communists possess the

capability of upsetting by means of "volunteers", the precarious balance of power now existing between French and Viet Minh forces. By this course of action, particularly if undertaken in the next two months before increased MDAP materiel is received and becomes operational, the Chinese Communists probably can force the French into a shrinking beachhead around Haiphong and possibly cause the French to abandon Tonkin.

G-2 Annex

3. Japan

At the present time the Chinese Communists do not possess any military capabilities against Japan except for limited air attacks. Any major Chinese Communist attack against Japan would have to be supported by the USSR to such an extent that it could no longer be called solely a Chinese Communist attack.

G-2 Annex

4. Other Areas of Southeast Asia

a. The Chinese Communists are capable of deploying four armies of 23,000 troops each along the Yunnan-Burma border within three to four weeks. The Chinese Communist 14th Army, estimated at 23,000 men, is disposed in the area from Tali in Yunnan along the Burma Road to the Burma border. An additional 80,000 troops could be redeployed to the Burma border area from the general Yunnan-Kweichow-Kwangsi border area in six to eight weeks. With these troops, and in the absence of active foreign intervention, the Chinese Communists could complete a successful invasion of the strategic areas of Burma within six to eight weeks after crossing the border. Such an operation against Burma could be undertaken by the Chinese Communists with only minor disruptions to current consolidation operations, the supply and training programs for the Viet Minh, and operations against Tibet. While such an operation against Burma could be carried out simultaneously with intervention in, or invasion of, Indo-China, it is probable that, barring outbreak of global warfare, any major operation against Burma is likely to be postponed until after an Indo-China campaign had been completed.

b. The Chinese Communists possess the capability of invading northern and northeastern Thailand with a portion of the troops indicated above in connection with a campaign against the French in Annam. It appears unlikely, however, that the Chinese Communists possess the immediate military capability of conducting a military campaign against Thailand.

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c. The Chinese Communists have the capability of extending small-scale assistance to the Communist insurgents in Malaya, to indigenous Communist groups in Indonesia, and to the Communist-led Huks in the Philippines. The Chinese Communists are not considered, however, to have any immediate military capabilities for conducting campaigns against these countries.

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